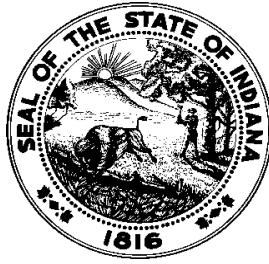


LOCAL GOVERNMENT TAX CONTROL BOARD



**RECOMMENDATIONS
TO THE
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
FROM
DECEMBER 14, 2006**

Call to Order

Dave Christian called the December 14th 2006 Local Government Tax Control Board meeting to order at 8:00 am. Board members present were Dave Christian, Dan Jones, Stan Mettler, Lisa Decker, John Stafford and Ken Kobe. Judy Robertson was the administrative officer for the meeting.

Recommendation:

Lisa motioned to recommend approval of the October 26th, November 9th, and November 21st Minutes. John seconded and the motion carried 6-0.

Madison Township, Morgan County Firefighting Services, Increased Fire Pension Payments, Volunteer Fire Expenses

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Firefighting Services	\$301,080	\$536,080	\$301,080
Fire Pensions	\$245,280	\$	\$245,280
Vol. Fire Expenses	\$10,000	\$	\$10,000
Total	\$556,360	\$536,080	\$556,360

Appeals:	2001	Volunteer Fire	\$10,000	2002	3 Year Growth	\$392
	2003	3 Year Growth	\$7,574		Volunteer Fire	\$10,000
		Volunteer Fire	\$10,000		3 Year Growth	\$392
		3 Year Growth	\$5,000	2004	3 Year Growth	\$4,561
	2005	3 Year Growth	\$7,321		Volunteer Fire	\$10,000
		Volunteer Fire	\$10,000		3 Year Growth	\$8,760
		3 Year Growth	\$3,542			

Financial History

Fire Fund	2006	2005	2004	2003
Certified Budget	\$738,990	\$741,846	\$418,380	\$451,567
Cash Balance June 30	\$452,922	\$24,955	\$248,262	\$83,292
Estimated Misc. Rev.	\$490,421	\$450,360	\$280,985	\$297,627
Operating Balance	\$0	\$0	\$0	\$109
Levy	\$193,226	\$189,492	\$165,255	\$139,937
Rate	.0459	.0465	.0416	.0367

2007 Max Levy	\$204,711
Total Max Levy with Qualifying Appeal Amount	\$740,791
Unit's 2007 Advertised Levy	\$1,750,475

The maximum amount the unit can qualify for is \$536,080 due to advertising

Attendance

The following people attended the meeting: Jeff Peters (Financial Advisor), Jim Bolin (Trustee Elect), Rodger Birchfield (Trustee), and Mike Lang (Fire Chief).

Discussion:

Jeff: The township board did not approve the hiring of new firefighters, so we do not qualify for the fire pension appeal and would like to withdraw that request.

The amount requested for the firefighting services appeal is the least amount the township has borrowed in the last three years. The permanent increase to the maximum levy will reduce the amount of emergency loan request in the future.

Questions by board members:

Lisa: What is the total amount of the appeals you are requesting now?

Jeff: \$301,080 for firefighting services and \$10,000 for volunteer fire expenses.

Dan: What is the increase over the 2006 levy?

Jeff: I can't answer that at this time. The impact is coming through the emergency loan. If we change the debt service to operating, then we will qualify for more CAGIT. There was a clean sweep of the board members and so a new board is coming in beginning in January. I do not know what they are going to do.

Stan: Is the township still looking toward converting to a full-time paid firefighting service?

Jeff: It is what we have seen, but with a new board coming in, I do not know how aggressive they are going to be.

John: The district rate has increased by fifty cents over the last five years, is that mainly because of the schools?

Trustee: Yes because we have experienced a lot of growth. We have to provide more services as the township grows.

Dan: Do you have any documentation on the increase in building permits over the last few years?

Trustee: Not with me today, I could probably get that information.

Dan: What is the projected 2007 fund balance after adjusting for the certified shares amount?

Jeff: It will probably flatten out and be zero, maybe even negative. The present board members were always opposed to increasing fire expenses. The new board coming in is all firefighters.

Recommendation:

Stan motioned to recommend approval of an appeal in the amount of \$311,080. John seconded and the motion carried 6-0.

Town of Plainfield, Hendricks County Annexation and Increased Fire Pension Payments

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Annexation	\$66,007	\$350,000	\$63,855
Fire Pensions	\$122,950	\$60,300	\$122,950

Appeals:	2002	3 Year Growth	\$226,449	2005	Shortfall	\$197,933
	2003	Fire Pensions	\$76,178	2006	Shortfall	\$328,800
		3 Year Growth	\$428,208			

Financial History

Fire Pensions Fund	2006	2005	2004	2003
Certified Budget	\$115,500	\$110,000	\$100,000	\$100,000
Cash Balance June 30	\$372,134	\$365,212	\$335,293	\$269,678
Estimated Misc. Rev.	\$92,840	\$88,000	\$19,433	\$19,433
Operating Balance	361,641	\$341,982	\$192,350	\$126,462
Levy	\$50,891	\$0	\$0	\$0
Rate	.0046	.0000	.0000	.0000

General Fund	2006	2005	2004	2003
Certified Budget	\$13,419,891	\$11,473,298	\$9,841,897	\$11,187,646
Cash Balance June 30	\$1,432,571	(\$1,474,577)	\$1,465,530	\$2,138,096
Estimated Misc. Rev.	\$5,517,023	\$4,838,377	\$4,397,230	\$4,633,228
Operating Balance	\$609,036	\$110,132	\$0	\$1,537,005
Levy	\$5,344,713	\$6,146,380	\$3,763,333	\$4,609,848
Rate	.4831	.5786	.3272	.3832

2007 Max Levy \$7,203,221
 Total Max Levy with Qualifying Appeal Amount \$7,327,376
 Unit's 2007 Advertised Levy \$ 11,138,629

The maximum amount the unit can qualify for is \$63,855 Annexation and \$60,300 Fire Pensions

Attendance

The following people attended the meeting: Paige Gregory (Financial Advisor with H.J. Umbaugh), Ty Brown (Financial Advisor with H.J. Umbaugh), and Wes Bennett (Clerk Treasurer).

Discussion:

Ty: There have been two areas annexed: Duke Annexation and Raceway Road annexation. The Raceway Road area was annexed in 2005 and will be placed on the tax roles in 2007. Increased service costs started in September 2005. They estimated that the population in the annexed area was 623 residents when the fiscal plan was prepared. This resulted in an increase to the Town's population by three percent. The fiscal plans are very specific about the costs that are currently being imposed on the Town of Plainfield. This annexation also calls for an additional .62 police officer to maintain a ratio of 2.2 police officers per 1,000 people. A new fully equipped police officer has an annual cost of \$81,470.

The Duke annexation added 361 feet of public streets. The increased cost from this annexation is costing the Town \$0.27 per foot plus \$108 annually for another street light. The Town's appeal request matches both of these costs.

The impact to the taxpayer is very minimal. Per page one of the handout, the increase in the annual tax liability for a median home owner is only \$3.66. You may also note on page 2 that the cash balances in the controlled funds have been declining since 2004.

Questions by board members:

John: How much development is on the annexed land?

Paige: The Duke development is industrial and the Raceway is about 85% residentially developed.

John: Why do you think that the adjustment amount should not reduce the amount of your request?

Paige: The DLGF has not required the adjustment.

Dan: Did you adjust the financial page for the actual certified shares?

Paige: Yes, we have.

Paige: We would like to withdraw the fire pension appeal because they do not qualify.

Recommendation:

Ken motioned to recommend approval of an appeal in the amount of \$66,007. Lisa seconded and the motion carried 6-0.

**Town of Cicero, Hamilton County
Increased Fire Pension Payments**

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Fire Pensions	\$332,113	\$435,000	\$0 ??

They are requesting this as a temporary increase to buy-back pension funds. This appeal is a permanent increase to the max levy; therefore, they do not qualify for this appeal.

Appeals: 2006 Annexation \$136,024

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$1,840,970	\$1,922,219	\$1,835,747	\$1,839,026
Cash Balance June 30	\$1,713,647	\$1,857,742	\$1,576,225	\$1,734,283
Estimated Misc. Rev.	\$872,373	\$721,216	\$793,820	\$1,016,362
Operating Balance	\$1,205,917	\$1,004,953	\$1,191,659	\$1,178,127
Levy	\$766,891	\$629,985	\$591,346	\$541,309
Rate	.3467	.2980	.2858	.2636

2007 Max Levy	\$988,289
Total Max Levy with Qualifying Appeal Amount	\$1,320,402
Unit's 2007 Advertised Levy	\$1,570,000

The maximum amount the unit can qualify for is \$0

Attendance

The following people attended the meeting: Jan Unger (Clerk Treasurer), Carl Harvey (President of the Cicero Town Council), Christian Herron (Cicero Fire Department), Darren Collar (Fire Department Battalion Chief), Steven Peachey (Fire Chief), and Paige Gregory (Financial Advisor with H.J. Umbaugh).

Discussion:

Paige: The City is requesting a fire pension appeal in the amount of \$332,113. The appeal is being requested to provide for additional property tax dollars to fund the cost of bringing the fire department personnel into the 1977 State PERF program. Currently, police officers are in the 1977 plan, but the firefighters are under the civilian PERF program. The primary reason for the switch is the benefits associated with the 1977 plan.

- The annual pension plan under the 1977 plan can be more than twice as much as the pension payment under the civilian PERF.
- The 1977 plan provides disability and survivor benefits; civilian PERF does not.
- An employee can be eligible for retirement at age 52 with 20 years of service. Under PERF, an employee must be age 65 with 10 years of service, or age plus years of service must equal 85 and the minimum age has to be 55.
- Better PERF benefits may help to attract and/or retain quality employees.

To switch to the 1977 plan, the Town has to pay \$432,113 of back-pay to PERF. The calculation of the back-pay is provided on page 1 of your handout. The Town has elected to pay \$100,000 of the back-pay from the general fund and is requesting the remaining \$332,113 as a temporary increase to their maximum levy. The Town examined the costs of phasing the buy-back over a ten-year period, but estimated that it would cost an additional \$175,000 in interest. The statute for pension appeals indicates a taxing unit must experience more than a ten percent increase in pension payments or contributions to qualify for this appeal. However, the statute does not address payments to PERF to buy into the 1977 plan. Due to the unique

nature of this appeal, we contacted the DLGF to ask for their opinion and, after explaining the circumstances, they suggested that the Town file for this appeal.

The temporary estimated percentage increase to the Town's property tax levy is 33.7%.

The temporary estimated increase of the Town's tax rate assuming no increase in assessed value is 28.3% (2006 certified rate of .5301; 2007 estimated rate is .6802)

The estimated impact on a homeowner with a median home value of \$112,300 is \$80.78 (or \$6.73 per month), which is a 6% increase.

Questions by board members:

Lisa: What processes have you went through for this appeal?

Jan: We have had public hearings and it was adopted by the council with the 2007 budget. The council approved it unanimously. It is the first time they have approved the plan and we have discussed it since 2001.

Fire Chief: Each firefighter will have to sign a ten-year agreement in order to buy-back his own portion of the PERF payments.

John: Could you have chosen to amortize it over a period less than ten years?

Jan: Yes, PERF is flexible on the amount of years we could amortize it, but I did not want to depend of the DLGF approving an appeal every year to have the financing available.

Ken: Did you consider using other sources of revenue, like COIT, to fund the buy-back?

Jan: Yes, we did. We are trying to keep our Town as healthy as possible. There are other projects that we are using our CCD and CCI funds for. COIT is growing, but we cannot depend on that and we do not know how the Circuit Breaker is going to affect us. We have no industry in our Town, so any increase falls directly on the taxpayers.

Dan: I am seeing a projected fund balance of 100% on your 2007 16-line statement.

Paige: The budget for all the control funds is \$2.8 million with a projected total fund balance of \$1.4 million, which is a 50% fund balance.

Dan: I am still not seeing a need for a thirty percent tax increase.

Paige: I understand, but we do not know how the circuit breaker is going to impact the Town and they are trying to maintain a healthy balance.

Recommendation:

Ken motioned to recommend approval of an appeal in the amount of \$332,113. Stan seconded and the motion carried 5-1. Dan opposed due to available fund balances.

John wanted to modify the motion for the DLGF to come to a compromise on how to spread the amount over several years to lessen the impact to taxpayers.

**City of Lebanon, Boone County
Increased Fire and Police Pension Payments**

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Fire Pensions	\$106,526	\$110,000	\$106,526
Police Pensions	\$45,530	\$90,000	\$45,530

Appeals: None

Financial History

Fire Pensions Fund	2006	2005	2004	2003
Certified Budget	\$326,397	\$272,225	\$272,225	\$287,000
Cash Balance June 30	(\$93,882)	\$34,477	\$48,624	\$163,734
Estimated Misc. Rev.	\$151,494	\$103,638	\$116,150	\$102,991
Operating Balance	\$0	\$448	\$4,785	\$1,103
Levy	\$204,053	\$61,770	\$60,704	\$43,386
Rate	.0376	.0117	.0118	.0086

Police Pensions Fund	2006	2005	2004	2003
Certified Budget	\$210,600	179,310	\$179,310	\$174,000
Cash Balance June 30	\$59,391	\$151,429	\$140,433	\$192,009
Estimated Misc. Rev.	\$106,619	\$55,400	\$67,000	\$70,231
Operating Balance	\$302	\$1,000	\$4,785	\$92,604
Levy	\$58,068	\$0	\$60,704	\$28,251
Rate	.0107	.0000	.0118	.0056

	Civil
2007 Max Levy	\$2,578,035
Total Max Levy with Qualifying Appeal Amount	\$2,730,091
Unit's 2007 Advertised Levy	\$Unknown

The maximum amount the unit can qualify for is \$ 152,056

Attendance

The following people attended the meeting: Debbie Ottinger (Clerk Treasurer) and Paige Gregory (Financial Advisor with H.J. Umbaugh).

Discussion:

Paige: The city is requesting approval for two appeals today – a police pension appeal and a fire pension appeal. The annexation appeal was withdrawn. The original amounts noted on the appeal application were based on preliminary numbers. Since then we have revised the numbers to reflect updated information and the calculations shown on page 2 and page 3 of your handout. Please note that the City is requesting \$36,934 for the police pension appeal and \$93,035 for the fire pension appeal. Page 2 of the handout shows detailed information on police payments in 2006 and 2007. The 2007 pension payments include 3 people that are eligible to retire and therefore are included in the 2007 budgeted pension payments. Page 3 shows detailed information of the fire pension payments for 2006 & 2007. The 2007 pension payments include 5 people that are eligible to retire and therefore are included in the 2007 budgeted pension payments. Pages 4 & 5 are the revised appeal applications based on the updated numbers. Page 6 is a cash flow analysis of the police pension fund. Page 7 is a cash flow analysis of the fire pension fund. Page 8 shows the estimated impact on a taxpayer living in the Lebanon City taxing district. Both appeals together are estimated to increase a residential tax bill by less than 1%. For a median home value of \$91,000, the impact is estimated to be under \$10 annually.

Questions by board members:

Stan: The amount on page 2 for the police pension payments – is this the amount needed for 2007?

Paige: It is the amount that they are eligible for.

John began a discussion about how pension funds work and the relationship between what is contributed, paid and this appeal being a permanent appeal.

Recommendation:

Stan motioned to recommend approval in the amount of \$93,035 for the fire pension appeal and \$36,934 for the police pension appeal. Lisa seconded and the motion carried 6-0.

**Town of Whitestown, Boone County
Annexation and Three-Year Growth**

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Annexation	\$239,712	\$250,600	\$216,033
Three-Year Growth	\$34,575	\$	\$34,567

Appeals: 1988 Volunteer Fire \$360

Threshold	1.0326
Unit Qualifies	1.4167
Three-year average unit growth factor	1.4167
Statewide non-farm personal income growth factor	1.0400
Additional Qualifying Factor	0.3767
Multiplied by the 2007 Adjusted Levy Limit of	\$91,761
Qualifying Amount	\$34,566
Check 2007 Adj. Limit	\$91,761
2007 Adj. Limit * Unit growth factor	\$129,998
2007 Max Levy after statewide growth factor	\$95,431
Difference	\$34,567

2007 Max Levy \$95,431
Total Max Levy with Qualifying Appeal Amount \$369,710
Unit's 2007 Advertised Levy \$389,103

Financial History

Fire Fund	2006	2005	2004	2003
Certified Budget	\$210,660	\$0	\$171,747	\$158,423
Cash Balance June 30	\$62,181	\$0	\$141,975	\$168,229
Estimated Misc. Rev.	\$127,046	\$123,681	\$113,900	\$89,244
Operating Balance	\$0	\$314,206	\$172,590	\$191,265
Levy	\$91,753	\$62,042	\$60,107	\$59,986
Rate	.2169	.2509	.3330	.3887

The maximum amount the unit can qualify for is \$34,567 three-year growth + \$239,712 annexation

Attendance

The following people attended the meeting: Eric Reedy (Financial Advisor), Carla Jackson (Council), Chris Jonak (Attorney).

Discussion:

Eric (referring to handout) stated the following issues (details can be found in the handout):

- Appeal Overview
 - Public meetings

- No objections
- Since 2002, the Town has grown dramatically
- Details of the Town's assessed value growth, tax rate reductions, and population growth
- The Town adopted a maximum tax rate of \$0.5300 for 2007
- Need to increase services due to the growth of the Town
- Historical new assessed valuations chart
- Historical property tax rates chart
- Operating budget increases due to annexation in the 2007 budget
- Map of annexed areas

Questions by board members:

Dan: Are these amounts based on build-out and when is that expected to be completed?

Eric: Yes, they are; build-out is projected to be in ten years and the first home opened in 2002. The current projection is seven years.

Stan: Will you need to hire additional personnel?

Eric: Yes, at least four people. We are working and planning from a 10-year Master Plan that has been approved.

Carla: In addition to the four additional staff, we are extending hours for current staff already hired.

Dan: The 2006 certified assessed value was \$42.3 million and the 2007 projected assessed value is \$40 million – did you adjust the value down because of inventory deduction?

Eric: I always use 90% to 95% of the current assessed value when advertising the next year's budget in order to be conservative. We always recommend advertising high and then bringing it back down when they are certified. One other thing to keep in mind is that the council voted for a maximum tax rate of fifty-three cents.

Dan: According to the fiscal plans, there is a stated need of only \$36,000, why are you asking for almost \$240,000?

Eric: The fiscal plans also state that the cost estimates provided include estimates for each Town department. It leaves room for additional services that need to be provided.

John: On your rate chart, 2002 had a tax rate of eighty-five cents – was that an anomaly - a one-year rate only in 2002?

Eric: No, that was the steady rate before re-assessment.

Carla: I have owned a house there since 1998 and my taxes have never went up.

Recommendation:

John motioned to recommend approval of an annexation appeal in the amount of \$216,033 and a three-year growth appeal in the amount of \$34,574. Ken seconded and the motion carried 6-0.

Sugar Creek Township, Hancock County
Increased Fire Pension Payments and Three-Year Growth

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Fire Pensions	\$2,922	\$175,000	\$2,922
Fire Three-Year Growth	\$81,931	\$	\$81,937
Civil Three Year Growth	\$2,240	\$10,000	\$0

	Civil	Fire
Threshold	1.0326	1.0326
Unit Qualifies	1.0748	1.1272
Three-year average unit growth factor	1.0748	1.1272
Statewide non-farm personal income growth factor	1.0400	1.0400
Additional Qualifying Factor	0.0348	0.0872
Multiplied by the 2007 Adjusted Levy Limit of Qualifying Amount	\$0 \$0	\$939,642 \$81,937
Check 2007 Adj. Limit	\$0	\$939,642
2007 Adj. Limit * Unit growth factor	\$0	\$1,059,164
2007 Max Levy after statewide growth factor	\$0	\$977,227
Difference	\$0	\$81,937

Appeals: Too many to list

Financial History

General & Fire Fund	2006 G	2005 G	2004 G	2003 G	2006 F	2005 F	2004 F	2003 F
Certified Budget	\$96,650	\$96,650	\$89,000	\$86,000	\$1,681,203	\$1,304,663	\$1,622,008	\$1,041,623
Cash Balance June 30	\$21,239	\$21,951	\$362	\$20,207	\$567,779	\$39,351	\$1,546	\$294,640
Estimated Misc. Rev.	\$2,123	\$17,071	\$42,864	\$23,588	\$803,327	\$563,581	\$544,673	\$576,421
Operating Balance	\$8,104	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Levy	\$1,392	\$1,959	\$1,884	\$561	\$903,220	\$667,785	\$659,112	\$479,443
Rate	.0002	.0003	.0003	.0001	.1381	.1252	.1272	.1042

	Civil	Fire
2007 Max Levy	\$0	\$977,227
Total Max Levy with Qualifying Appeal Amount	\$0	\$1,062,086
Unit's 2007 Advertised Levy	\$25,000	\$2,460,000

The maximum amount the unit can qualify for is \$0 Civil and \$84,859 Fire

Attendance

The following people attended the meeting: Myra Wilkerson (Deputy Trustee), Robert Rehfus (Fire Chief), and Eric Reedy (Financial Advisor).

Discussion:

Eric presented a handout that detailed the following points:

- Overview of the appeals
 - Board meetings
 - No objections
 - Geographical service area
 - Demographics of area
 - Increased emergency runs
 - Staffing of fire department
- Summary of new sub-divisions
- Property tax impact

Questions by board members:

Stan: Is the increase in fire pensions due to the hiring of two additional firefighters?

Eric: Yes, this results in over a ten percent increase above current pension contributions.

John: What is happening with annexations in your township?

Myra: Cumberland is holding off annexing; New Palestine has only annexed a couple of areas; the High School annexed about two years ago. Most of the township entities do not have a desire to grow.

Dan: The 2007 16-line statement shows a fund balance of \$87,000 on a budget of \$58,000 – why do you need these appeals?

Eric: There is currently no maximum levy for the civil funds; once the budget is certified, the operating balance will be zero.

Dan: The 2006 budget was certified for \$96,000 and the proposed 2007 budget is \$58,000 – why the decrease?

Eric: The new trustee campaigned on not using financial advisors, lawyers, etc and so they were removed from the budget.

John: What was the amount of your emergency loan this year?

Eric: Around \$625,000.

Recommendation:

Ken motioned to recommend approval of a fire pension appeal in the amount of \$2,922, a fire three-year growth appeal in the amount of \$81,931, and a civil three-year growth appeal in the amount of \$2,240 based on the verification of the civil levy. Lisa seconded and the motion carried 6-0.

Posey Township, Franklin County Emergency Fire Loan

Summary: The unit is requesting approval to obtain a loan in the amount of \$10,000 for a term of one (1) year for the purpose of paying off a debt the previous trustee incurred for fire protection and the Community Building upkeep.

Project Costs: \$10,000

Amount applied to debt: \$10,000

Annual Payment: \$12,000

Emergency Loan Calculation:	2006
Certified Property Taxes	\$0
Certified Misc. Revenue	\$312
Jan. 1st Cash Balance	\$3,609
Total Funds Available	\$3,921
Less: Prior Year Encumbrances	\$0
Less: Estimated Expenses	\$14,500
Funds Remaining (Needed)	\$(10,579)

Budget Advertised	\$0
Budget Adopted	\$4,000

Advertised/Adopted Budget	\$0
Less Certified Budget	\$0
Budget cut by DLGF	\$0

Tax Rate Impact:	2006 AV	\$27,854,625
	Levy Needed	\$11,700
	Est. Tax Rate	.0420

Meeting and Publication Dates:

Date of publication for a public hearing	09/06/2006
Date of public hearing	09/20/2006
Resolution/Ordinance adopted	09/20/2006
Notice of Determination	09/27/2006

Auditor's Certificate of No Remonstrance: 10/31/2006

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$0	\$2,537	\$3,000	\$1,200
Cash Balance June 30	\$0	\$369	(\$49)	\$2,671
Estimated Misc. Rev.	\$312	\$299	\$305	\$566
Levy	\$2,300	\$0	\$585	\$4,611
Rate	\$1,643	\$1,589	\$1,483	\$1,486
Operating Balance	.0059	.0057	.0054	.0058

Attendance

The following people attended the meeting: Harvey L. Crawley (Trustee).

Discussion:

The previous trustee borrowed \$10,000 to operate the township when he ran out of money. He thought he could pay it back with tax money. When the re-structuring happened, he didn't get the tax money he anticipated. I am trying to get this cleared up before I leave office.

Questions by board members:

Dan: Was a debt service fund advertised with the 2007 budget?

Harvey: Yes, I believe your field rep had me do that.

Stan: What is the outstanding interest on the original loan?

Harvey: It is \$150 every three months.

Dave: Is the interest payments being made?

Harvey: Yes, according to the bank, they say they are receiving interest payments.

Recommendation:

Ken motioned to recommend approval of an emergency fire loan in the amount of \$10,000 for a term of one (1) year. Dan seconded and the motion carried 6-0.

**Whitewater Valley Public Library, Franklin County
Annexation**

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Annexation	\$1,000,000	\$855,200	\$0

Appeals:	1997	Reallocation of PTRC	\$3,737
	1998	Annexation	\$32,205

Financial History

Fire Fund	2006	2005	2004	2003
Certified Budget	\$300,000	\$264,314	\$385,700	\$418,822
Cash Balance June 30	(\$33,415)	(\$20,258)	\$101,321	\$148,865
Estimated Misc. Rev.	\$144,572	\$123,084	\$99,776	\$138,359
Operating Balance	\$3,622	\$0	\$2,374	\$0
Levy	\$137,824	\$133,043	\$129,164	\$119,792
Rate	.0420	.0401	.0401	.0379

2007 Max Levy \$148,243
 Total Max Levy with Qualifying Appeal Amount \$1,003,443
 Unit's 2007 Advertised Levy \$1,000,000

The maximum amount the unit can qualify for is \$855,200

Attendance

The following people attended the meeting: Wendy Knapp (Librarian), Joann Koch (Library Treasurer), Melody L. Gault (Library Director), and Faye Terry (State Library Development Office).

Discussion:

We need to raise the tax levy because we need to increase services. We are working with the jail to provide life-skill services to people on probation. The library should be one of the most important places for a community. We have annexed two townships since I have been the director. Six out of thirteen townships, plus one school contract, is a part of our district. The goal is to get at least eleven of the thirteen townships into the library district. The other two townships have their own library system. We received a grant four years ago to purchase new computers. Those computers are starting to die now and need to be upgraded. We also need to upgrade our technology and software available.

We have had to cut the hours and pay of our staff. The budget and levy was cut two years ago and I am trying to build it back up.

Questions by board members:

Dan: Do you have a breakdown of what the \$1 million will be used for?

Melody: Our current budget is \$300,000 and we added two townships and a student contract.

Stan: Is any of this appeal being applied to capital purchases?

Melody: Yes.

Dave: Per your budget, you have \$115,000 allocated for land and buildings.

Wendy: One of the first things we could do with the increased money is to extend the hours and hire back staff we had to let go when our budget was cut by over \$200,000.

Stan: Do you have the physical space in the library to purchase \$190,000 worth of books, periodicals and visual/audio collections each year?

Melody: We haven't been able to purchase very much since I have been the director. We need to weed the current collection. But yes, we would have the space.

Dan: This would increase your tax rate by over five times – wouldn't that be a sticker shock to your taxpayers?

Melody: Yes, it probably would be; but no one objected.

John: According to the statute, adding two townships would only increase your need by \$30,000 - \$35,000 to cover the increased expenses. There is no way under the current control levy system to increase your levy by \$1 million.

Ken: Has there been much talk about this appeal?

Melody: I had to go for a fiscal review since my budget was over 5% increase and they approved it with no questions. They did not have a problem with it.

Recommendation:

Dan motioned to recommend approval of an annexation appeal in an amount to be determined based on applying the current rate of the library district and extending it to the two annexed townships. John seconded and the motion carried 6-0.

**Center Township, Grant County
Fire Loan**

Summary: The unit is requesting approval to obtain a loan in the amount of \$60,000 for a term of six (6) years for the purpose of purchasing a new grass fire truck.

Project Costs: \$60,000 Amount applied to debt: \$60,000 Annual Payment: \$17,000

Controlled or Uncontrolled: Controlled

Revenue Source for Property Tax Backup: Cumulative Fire Fund

Tax Rate Impact:	2006 AV	\$98,096,740
	Levy Needed	\$17,000
	Est. Tax Rate	.0173

Meeting and Publication Dates:

Date of publication for a public hearing	09/09/2006
Date of public hearing	09/19/2006
Resolution/Ordinance adopted	09/19/2006
Notice of Determination	09/29/2006

Auditor's Certificate of No Remonstrance: 11/02/2006

Fire Marshall's Response:

Financial History

Fire Fund	2006	2005	2004	2003
Certified Budget	\$99,200	\$95,200	\$95,200	\$95,200
Cash Balance June 30	\$66,189	\$111,599	\$111,653	\$130,740
Estimated Misc. Rev.	\$10,304	\$11,785	\$11,574	\$11,683
Operating Balance	\$54,888	\$81,012	\$90,601	\$78,996
Levy	\$72,101	\$69,767	\$62,352	\$63,955
Rate	.0735	.0681	.0628	.0594

Missing Information: None

Attendance

The following people attended the meeting: Bryce Coryea (Trustee).

Discussion:

We are currently using our cumulative fire fund to make the payments of a 1997 truck. Our grass rig is a 1996 model that we are having a lot of problems with. It is leaking and there are engine problems. We have spent over \$3,000 in repairs just this year alone. There have been no objections to purchasing a new truck. We have worked on this for a year and a half now. The original prices quoted to us were \$65,000 to \$80,000 and we thought that was way too high. We decided to go with multiple vendors and that decreased the price to \$60,000.

Questions by board members:

Stan: How many companies did you contact?

Bryce: Between looking at trucks, pumps, skids, lighting and equipment – about twenty in all. By doing it this way, the price of the truck is \$55,000 and we will have the skids and lights put on it separately.

Ken: Are you going through a local bank?

Bryce: Yes; I contacted three banks and the lowest was 4.9% back in October.

Dan: Did you include a debt service fund in your 2007 budget?

Bryce: No, I am going to use the cum fund to make the payments. I am not looking for a debt service rate.

Recommendation:

Dan motioned to recommend approval of a fire loan in the amount of \$60,000. Lisa seconded and the motion carried 6-0.

Town of Trafalgar, Johnson County Increased Police Pension Payments and Three-Year Growth

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Police Pensions	\$28,140	\$52,430	\$28,140
Three-Year Growth	\$10,887	\$	\$4,315

Appeals History None

2007 Max Levy	\$162,789
Total Max Levy with Qualifying Appeal Amount	\$195,244
Unit's 2007 Advertised Levy	\$242,173

Threshold	1.0326
Unit Qualifies	1.0662
Three-year average unit growth factor	1.0662
Statewide non-farm personal income growth factor	1.0400
Additional Qualifying Factor	0.0262
Multiplied by the 2007 Adjusted Levy Limit of	\$164,684
Qualifying Amount	\$4,315
Check 2007 Adj. Limit	\$164,684
2007 Adj. Limit * Unit growth factor	\$175,586
2007 Max Levy after statewide growth factor	\$171,271
Difference	\$4,315

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$358,266	\$297,000	\$227,408	\$250,585
Cash Balance June 30	\$65,630	(\$62,886)	(\$26,743)	(\$7,152)
Estimated Misc. Rev.	\$104,099	\$95,765	\$92,063	\$89,960
Operating Balance	\$28,909	\$15,921	\$0	\$0
Levy	\$154,552	\$149,215	\$144,917	\$96,869
Rate	.3606	.3848	.3601	.2719

Maximum appeal unit can qualify for is \$32,455

Attendance

The following people attended the meeting: Brian Reedy (Financial Advisor), Kurt Heminger (Marshall), and Jauna Harshman (Clerk Treasurer).

Discussion:

Brian: We are requesting two appeals. The three-year growth factor is calculation driven and per that calculation, they qualify for \$10,887. The Town is currently on a Town Marshall system and they are converting to a metropolitan police system. This will result in four officers being eligible to be enrolled in the 1977 pension plan. Currently, the Town has no pension plan.

Questions by board members:

Dave: According to the calculation that Judy has given us, you only qualify for \$4,315.

Brian: I would like to get with Judy later and see how she calculated the amount.

Stan: Will the Town have to go back and pick up any previous pension costs in a civilian PERF plan?

Brian: I don't know the answer to that. I can get the answer from Eric and tell you later.

Recommendation:

Stan motioned to recommend approval of a police pension appeal in the amount of \$28,140 and a three-year growth appeal in the amount of \$4,315. Lisa seconded and the motion carried 6-0.

Town of Brownsburg, Hendricks County Three-Year Growth

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Civil	\$25,783	\$735,000	\$113,374

Appeals History	2005	3-Year Growth	\$92,270
		Annexation	\$437,508
	2006	Annexation	\$154,300

2007 Max Levy	\$20,899
Total Max Levy with Qualifying Appeal Amount	\$43,207
Unit's 2007 Advertised Levy	\$51,028

Threshold	1.0326
Unit Qualifies	1.0677
Three-year average unit growth factor	1.0677

Statewide non-farm personal income growth factor		1.0400
Additional Qualifying Factor		0.0277
Multiplied by the 2007 Adjusted Levy Limit of		\$4,092,912
Qualifying Amount		\$113,374
Check	2007 Adj. Limit	\$4,092,912
	2007 Adj. Limit * Unit growth factor	\$4,370,002
	2007 Max Levy after statewide growth factor	\$4,256,628
	Difference	\$113,374

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$6,324,407	\$6,014,217	\$5,829,226	\$5,418,462
Cash Balance June 30	\$2,089,467	\$494,747	\$1,585,718	\$3,187,463
Estimated Misc. Rev.	\$2,474,417	\$2,525,150	\$2,271,430	\$2,450,674
Operating Balance	\$529,065	\$75,449	\$0	\$2,078,582
Levy	\$3,263,422	\$3,124,183	\$2,116,047	\$2,054,111
Rate	.3851	.4008	.2722	.2772

Maximum appeal unit can qualify for is \$25,783

Attendance

The following people attended the meeting: Paige Gregory (Financial Advisor with H.J. Umbaugh), Jeanette Brickler (Clerk Treasurer), and Belvia Hiadari (Financial Advisor with H.J. Umbaugh).

Discussion:

Belvia: We are here today for the Town of Brownsburg to discuss a three-year growth appeal in the amount of \$25,783. You will note that this is \$2 less than what was originally requested with the submitted excess levy appeal documents. The variance is due to a recalculation of the eligible amount which included ½ of the unused 2006 levy, which lowered the eligible amount by \$2. We have provided the Board with some supplemental information. Included in the packet before you are schedules for per capita receipts and disbursements and the estimated property tax bill impact for a homeowner residing in Brownsburg Town taxing district. Page 1 includes per capita information for both receipts and disbursements. You'll note that the Town has been spending more per capita than they receive. In 2004, this variance was over \$24. While this gap has decreased, we estimate the variance to still be over \$1 for 2007. As you can see, we estimate the deficit to be nearly \$23,000 in 2007. Page 2 shows the estimated property tax impact for homeowners. The proposed appeal has an estimated annual impact of \$1.50 to \$3.30 for home values ranging from \$100,000 - \$175,000. We feel that this appeal is warranted and necessary to allow the Town to "catch up" and collect revenues needed to address the growth in the community.

Questions by board members:

Dan: What is the projected fund balance at the end of 2007?

Belvia: We estimate a \$2.1 million for all controlled funds, which relates to a sixteen percent balance.

Recommendation:

Lisa motioned to recommend approval of a three-year growth appeal in the amount of \$25,783. John seconded and the motion carried 6-0.

**Decatur Township, Marion County
Firefighting Services**

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Fire	\$1,750,000	\$1,750,000	\$1,750,000

Appeals History Too numerous to list

2007 Max Levy	\$2,068,637
Total Max Levy with Qualifying Appeal Amount	\$3,818,637
Unit's 2007 Advertised Levy	\$5,614,757

Financial History

Fire Fund	2006	2005	2004	2003
Certified Budget	\$2,282,188	\$2,215,006	\$1,696,105	\$1,486,117
Cash Balance June 30	\$2,150,218	\$1,770,820	\$588,108	\$912,061
Estimated Misc. Rev.	\$281,749	\$220,570	\$251,202	\$184,139
Operating Balance	\$0	\$0	\$0	\$0
Levy	\$1,988,943	\$1,915,268	\$1,677,973	\$1,257,148
Rate	.1907	.1894	.1589	.1151

Maximum appeal unit can qualify for is \$1,750,000

Attendance

The following people attended the meeting: Steve Rink (Trustee) and Steve Buschmann (Attorney).

Discussion:

Steve: This appeal will not cause an increase in taxes; it just cuts down the amount of the emergency loan we will request next year. This appeal saves us interest costs due to borrowing. The actual amount of funding received will not increase.

Questions by board members:

John: Will this adjustment stop the emergency loans?

Steve R.: Not yet. I have projected that I will need to continue to borrow until 2008. I had to hire thirty-six firefighters all at one time.

Ken: What has been the year-to-year growth in expenses?

Steve R.: The budget in 2003 was \$2.3 million and the projected 2007 budget is \$4.9 million. There has been a lot of industrial growth in the township – all of them are in TIF areas or have abatements attached to them. Our schools are bursting at the seams. We do not see most of the increase in tax dollars. For years our population has been 21,000 with a day-time population of 10,000. Now our population is 30,000 with the day-time population right up there too.

Ken: What is the expected amount of the emergency loan you will need next year?

Steve R.: We requested \$2.4 million in 2006 and this appeal is for \$1.750 million, so probably about \$700,000. The 2007 budget has no increases except for firefighter salaries.

Dan: What increase was given to firefighters?

Steve R.: It varies per firefighter because we have the lowest paid department in the County. A third year firefighter has a salary \$13,000 less compared to other departments. Some firefighters will receive a \$5,000 to \$6,000 increase in order to bring them up to the average. We are increasing the salaries in two

phases; the first in January and the second in July. This is to reduce the full amount of the increase given in one year.

Recommendation:

Ken motioned to recommend approval of a firefighting services appeal in the amount of \$1,750,000. John seconded and the motion carried 6-0.

**Jackson County Unit, Jackson County
Extension of Services and Operation of a New Court
General Obligation Bonds**

General Obligation Bonds:

Summary: The unit is requesting approval to issue bonds in the amount of \$1,600,000 for a term of three (3) years for the purpose of purchasing long-term assets.

Project Costs: \$1,600,000 Amount applied to debt: \$1,600,000 Annual Payment: \$581,654

Controlled or Uncontrolled: Uncontrolled

Property Tax Back-up: None

Tax Rate Impact:	2006 AV	\$1,827,367,920
	Levy Needed	\$494,406
	Est. Tax Rate	.0271

Meeting and Publication Dates:

Date of publication for a public hearing	N/A
Date of public hearing	N/A
Resolution/Ordinance adopted	11/15/2006
Notice of Determination	N/A

Auditor's Certificate N/A

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$6,680,676	\$8,103,334	\$8,433,453	\$6,973,493
Cash Balance June 30	(\$2,096,538)	\$423,029	\$171,954	\$2,807,781
Estimated Misc. Rev.	\$4,402,711	\$4,674,692	\$6,402,532	\$3,157,291
Operating Balance	\$0	\$160,270	\$661,272	\$1,634
Levy	\$2,775,772	\$2,326,871	\$2,083,987	\$1,827,955
Rate	.1519	.1176	.1032	.0895

Attendance:

The following people attended the meeting: Frank Guthrie (Judge, retired), Richard A. Brackemyre (County Council), Gary Darloze (County Commissioner), Rodney Farrow (Attorney), Matt Reedy (County Council), Jeff Peters (Financial Advisor), Eric Reedy (Financial Advisor), Kim Blanchett (Bond Counsel), Jim gutting (Bond Counsel), Andy fountain (Council), Debbie Eggeman (Auditor), Jerry Hounshel (Sherriff), Mark Lahrman (Jail), Dennis Brrasher (EMS), Jon Long (Juvenile Center), Brian Reedy (Financial Advisor), and Tom Callahan (Taxpayer in opposition).

Discussion:

Eric: We have bi-partisan council approval for this bond issue. The County is taking capital costs out of the operating fund to a debt service fund in order to be able to fund services and still purchase capital that is needed. The 2006 budget is \$6.6 million; a few years ago it was up to \$8.4 million.

Questions by board members:

John: What are the reasons behind the decrease in the budget?

Eric: The juvenile and jail centers were added. They received a special CAGIT distribution in 2002 in the amount of \$2 million. Their levy was reduced by that amount because they did not need the property taxes. Then the levy was frozen and they did not have the ability to recoup the loss. That special distribution has been spent down. In 2004, the Council transferred the special CAGIT of .001 allowed by legislators to the general fund in order to balance the fund. As you can see in the handout I presented earlier, Jackson County's tax rate is one of the lowest in the state. Before the 2003 reassessment, it was the lowest.

Dan: I gave you a printout earlier of construction project baseline. Looking at the baseline comparison, this issue is below the state-wide average cost.

John: You have \$15 million is outstanding debt but no debt service rate?

Eric: Current debt is being paid with CEDIT. Earlier in the year we talked to the DLGF and a debt rate will be imposed with the 2007 budget because of the financial situation of the County.

Dan: What is the general financial condition of the County?

Eric: Hard, hopefully it will be much better with the second part of my request, when I talk about the appeals. The County has had to cut everything – salaries, services, benefits, etc.

Recommendation:

John motioned to recommend approval of general obligation bonds in the amount of \$1,600,000 for a term of three (3) years. Lisa seconded and the motion carried 5-0-1 with Ken abstaining.

Appeals

	Requested	Advertised	Qualifies (per worksheet)
Extension – Jail/Juvi	\$443,159	\$1,706,579	\$
Extension – EMS	\$240,649	\$	\$
Operation New Court	\$102,207	\$	\$
Total	\$786,015	\$1,706,579	\$

Appeals: 1995 Reallocation of PTRC	\$72,003	1996 Reallocation of PTRC	\$178,568
Court Costs	\$83,439	1997 Reallocation of PTRC	\$181,120
1998 Reallocation of PTRC	\$170,639	1999 Reallocation of PTRC	\$188,343
Police Pensions	\$42,000	2000 Reallocation of PTRC	\$200,030
2001 Reallocation of PTRC	\$214,504		

2007 Max Levy	\$3,573,218
Total Max Levy with Qualifying Appeal Amount	\$5,279,797
Unit's 2007 Advertised Levy	\$6,323,986

Discussion:

Jim Gutting: Jackson is a very conservative county. They have used whatever resources are available to them to fund expenses. A number of services have been added to the budget since the 1973 freeze. We have brought four items before you for approval:

1. Operation of a new court appeal – the court was established in 1998.

2. Operation of a new jail – the previous jail was abandoned when a new jail was built that is much larger in size. I have submitted department of correction reports showing that we were advised not to use the jail because of the overcrowded conditions. Because previous administrators did not file for an appeal should not penalize the current administration.
3. Operation of a new juvenile center which opened in 2000, and
4. EMS services that began in 1991

All of these services were established after 1973 and were not included in the levy when it was frozen. \$18.8 million in taxes have been saved over the last few years by not adding these appeals earlier.

Eric (referring to handout): If you would look at the handout just presented to you, I would like to point out the following issues affecting Jackson County

- Overview of County Finances
 - New services added
 - Jackson County compared to other like-population counties
 - Meeting with the DLGF, a State Senator and several State Representatives to discuss Jackson County finances
 - Financial solutions implemented in 2006
 - County Council and Commissioners' full bi-partisan support
 - No objections filed
- Historical charts
 - General fund cash balances
 - Certified general fund budgets
 - County property tax rate
 - County property tax levies
 - Per Capita property tax levy
- Property tax savings
- Property tax impact
- Detailed financial analysis of all appeals
- First year appeal amounts multiplied by yearly growth quotients

Questions by board members:

Dave: I don't know of any time that this Board approved an amount for an appeal going back twenty years. Do you have precedence for this, Eric?

Eric: White River Township went back about ten years to correct an error and the City of Greensboro was allowed an appeal that was for more than three years.

Ken: What is the objective here – to get back to the 2004 level?

Eric: The objective is to fund the required services the County provides.

Commissioner: The growth has exceeded our ability to provide services.

Dan: Was the cumulative bridge rate reduced and transferred to the general fund?

Eric: Yes – all special revenue is gone; all departments have used all their reserve revenue that was available to them.

John: Is the three-year consideration in the Administrative Code?

Dan: Not that I am aware of.

Answer: I would also like to point out that Jackson County took an awful huge hit with the inventory deduction.

Dave: How did you take a hit? The amount you will receive is the same – it is just spread out to another group of taxpayers. You should not have taken a hit because of inventory deduction.

Opposition

Tom Callahan: These documents were not available to taxpayers before today that have been presented to you. I oppose the jail and detention center being put on a tax levy.

Dave: What is your line of work, out of curiosity?

Tom Callahan: I am retired, but I was an industrial troubleshooter.

If the jail and detention center is put on a tax levy, then the taxpayers would lose \$2,000,000 because of an interlocal agreement with the cities and towns in Jackson County. I have provided an analysis for you that show how they would lose the \$2,000,000.

John: None of the appeals presented today would transfer the jail from a debt service to a property tax supported fund.

Jim Gutting: We have already dealt with a debt service fund.

Dan: I also heard that two previous property-tax back-up debts will have a debt service rate imposed in 2007. These appeals are for operating costs only.

Tom Callahan: I think this information should have been communicated to taxpayers before today. I did not know that they had already imposed a debt rate for the jail and juvenile center. I understood that these appeals were for that purpose.

Eric: I have attended every Council meeting and have handed out information at every meeting.

Recommendation:

John motioned to recommend approval of the operation of a new court appeal in the amount of \$192,029, extension of services appeal due to EMS in the amount of \$274,361, and the operation of a new jail and juvenile center in the amount of \$799,417 based on the original year amounts and not including the growth amount over the years. The statute does not include a growth quotient, nor does it address a timeline. Lisa seconded and the motion failed 2-3-1 with Ken abstaining.

Dan motioned to recommend denial of all the appeals due to the timeframe of the request. Stan seconded and the motion carried 3-2-1 with Ken abstaining.

City of Valparaiso, Porter County Annexation

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Annexation	\$1,860,667	\$3,370,000	\$

Appeals: 2006 Shortfall \$603,183

Financial History

Fire Fund	2006	2005	2004	2003
Certified Budget	\$14,908,672	12,144,584	\$11,596,720	\$11,373,770
Cash Balance June 30	\$3,623,132	\$1,284,200	\$3,993,858	\$3,445,706
Estimated Misc. Rev.	\$4,280,857	\$2,654,574	\$2,540,121	\$2,943,174
Operating Balance	\$304,948	\$45,859	\$8,188	\$29,277
Levy	\$9,668,827	\$8,458,271	\$8,414,360	\$8,219,716
Rate	.6715	.5999	.5998	.5812

2007 Max Levy	\$11,883,856
Total Max Levy with Qualifying Appeal Amount	\$13,744,523
Unit's 2007 Advertised Levy	\$14,527,624

Attendance

The following people attended the meeting: Jon Costas (Mayor), Karl Gender (Financial Advisor), James Bennett (Financial Advisor), Bill Hanna (City Administrator), Charles McGill (Economic Development Director), Sharon Swihart (Clerk Treasurer), and Craig Phillips (Planning Director).

Discussion:

The Mayor went through a handout titled "City of Valparaiso Annexation Tax Appeal December 2006". The following issues were discussed:

- Basis for tax levy appeal
 - City annexation policy and strategic plan
 - Includes six annexations, 1800 acres, 2.8 square miles
 - Population base and increase due to annexation
 - Staffing less than in 2000, even though the City has grown
 - Tax bills decreased by 7.2%
 - Unanimously approved by Council
- Valparaiso Corporation limits 2004 compared to 2006

Karl: I have given you an analysis of the tax impact due to this appeal. The estimated proposed levy increase is 15.20%; or a nine cent increase over the 2006 rate.

Jim Bennett: There has been steady growth in the City. The growth has finally caught up and key things have happened which the City needs to address. The build-out is not expected to be completed for another five to seven years.

Mayor: There is a one-year lag time from the time of annexation until the assessed value hit the tax books. However, we need to provide service during that lag time.

Jim Bennett: One thing that will help them is that ground has already been broken on a new mall and it is not in a TIF area.

Questions by board members:

John: How does the amount requested compare to the numbers in the fiscal plans?

Answer: They are the same – the appeal amount was taken directly from the fiscal plans.

Ken: The \$1.1 million is for the addition of thirteen personnel?

Answer: Yes, plus their fringes and benefits.

John: Do you expect to come back for a three-year growth appeal in a year or so?

Mayor: No, I fully expect that this request is the full amount we need. I think we won't be back for another five years.

Dave: Do we have a complete breakdown on where this money will be used?

Answer: There is a breakdown with each fiscal plan, but we did not do a summary of all six annexations together except what is on the appeal worksheet.

John: Are any of these areas TIF?

Mayor: No, we do not TIF residential area. At most, we only included fifty percent of the Lauth Development in our calculations.

Dan: You show you have CAGIT revenue; do you have any other local income taxes?

Mayor: No.

Recommendation:

Ken motioned to recommend approval of an annexation appeal in the amount of \$1,860,667. John seconded and the motion carried 6-0.

**Town of Burns Harbor, Porter County
Three-Year Growth**

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Civil	\$350,000	\$350,000	\$744,503

Appeal History: 2005 Math Error \$342,959

Threshold	1.0326
Unit Qualifies	1.8455
Three-year average unit growth factor	1.8455
Statewide non-farm personal income growth factor	1.0400
Additional Qualifying Factor	0.8055
Civil	
Multiplied by the 2007 Adjusted Levy Limit of	\$924,274 \$744,503
Check 2007 Adj. Limit	\$924,274
2007 Adj. Limit * Unit growth factor	\$1,705,748
2007 Max Levy after statewide growth factor	\$961,245
Difference	\$744,503

2007 Max Levy	\$961,245
Total Max Levy with Qualifying Appeal Amount	\$1,311,245
Unit's 2007 Advertised Levy	\$1,320,280

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$989,969	\$928,520	\$763,162	\$681,408
Cash Balance June 30	\$562,952	\$29,780	\$1,344,134	\$546,390
Estimated Misc. Rev.	\$87,019	\$66,940	\$309,815	\$43,558
Operating Balance	\$128,663	\$60,740	\$2,138,419	\$250,220
Levy	\$786,542	\$739,986	\$465,751	\$1,164,910
Rate	.1424	.1555	.3500	.7000

Maximum appeal unit can qualify for is \$350,000

Attendance

The following people attended the meeting: Paige Gregory (Financial Advisor with H.J. Umbaugh), Jane Jordan (Clerk Treasurer), and Bernie Poparad (Town Council member).

Discussion:

Paige: (See submitted notes for full presentation). The need for this appeal has a lot to do with events that occurred beginning in 2002 when Bethlehem Steel filed for bankruptcy. At that time, it was 85% of the Town's net assessed value. The Town's assessed value dropped by 73% from 2001 to 2003 and the tax rate increased by over 350% during the same time period. In 2001, the Town was raising \$1.6 million in property taxes. In 2004, the Town was able to reduce its levy to \$525,000 because it was receiving \$340,000 payments in lieu of taxes from ISG (who bought out Bethlehem Steel). The payments were scheduled to terminate at the end of 2004. When the payments stopped, the Town ended up getting caught under the maximum levy by \$772,000 because the 2004 budget had already been finalized when the SB1 law passed.

In 2005, the Town received a permanent levy increase of \$343,000 to restore some of the lost levy attributable to SB1 and the loss of the ISG payments. The Town's current property tax levy is \$924,000, which is still \$676,000 below the 2001 certified levy.

Page one of the handout summarizes the operating, capital and equipment replacement costs that are necessary and currently unfunded. Page 2 shows the impact on a residential property owner living in the taxing district. The tax liability is estimated to increase by two percent. For a median home value of \$95,000, the estimated annual increase to the tax bill is \$26.00

Jane Jordon: There is only one officer on duty at all times. We had to let go all four of our dispatchers. Emergency calls are routed thru 911 first, then directly to the police station or to a cell phone that the active officer carries at all times. Our parks are kept mowed through donated equipment and services.

Questions by board members:

Ken: Is most of your Town residential?

Jane: No, the steel mill pays 56% of our taxes. There are only about 104 homes on the tax books.

Recommendation:

Lisa motioned to recommend approval of a three-year growth appeal in the amount of \$350,000. Stan seconded and the motion carried 6-0.

**City of East Chicago, Lake County
Correction of Error, and Property Tax Shortfall**

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Corr. of Error	\$Unknown	\$Unknown	\$Unknown
2005 Shortfall	\$4,200,000	\$4,600,000	\$Unknown

Appeals:	1996	Shortfall	\$1,229,880	2000	Shortfall	\$1,722,182
	2002	Shortfall	\$1,540,919			

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$37,201,457	\$37,364,812	\$38,974,507	\$35,425,988
Cash Balance June 30	(\$16,430,252)	(\$10,252,651)	\$574,375	\$15,101,522
Estimated Misc. Rev.	\$5,259,148	\$8,800,385	\$4,556,171	\$1,645,347
Operating Balance	\$0	\$0	\$0	\$0
Levy	\$32,299,672	\$32,354,060	\$32,900,931	\$33,543,766
Rate	2.6242	2.5418	2.6522	2.3163

2007 Max Levy	\$42,123,382
Total Max Levy with Qualifying Appeal Amount	\$ Unknown
Unit's 2007 Advertised Levy	\$ Unknown

The maximum amount the unit can qualify for is \$Unknown

Attendance

The following people attended the meeting: James Bennett (Financial Advisor).

Discussion:

The present administration came into office in 2005. The general fund was originally approved at over \$40 million and they had to lower it to \$37.2 million because the previous year's collection rate was only 88%. The City cut spending and used gaming money to get through the 2005 year. They have lowered capital costs in sanitation, sewers and utilities in order to balance the 2006 budget. I don't know at this time if we will need the full \$3,000,000 because final settlement has not been completed. I will work with the DLGF to raise enough levy needed to cover the 2007 budget. We are trying to take the minimal amount needed to fund the budget.

Questions by board members:

None.

Recommendation:

Ken motioned to recommend approval of a 2005 shortfall appeal in the amount not to exceed \$3,000,000. John seconded and the motion carried 6-0.

Lake County Unit, Lake County General Obligation Bonds

Summary: The unit is requesting approval to obtain a loan in the amount of \$18,500,000 for a term of ten (10) years for the purpose of financing a Guaranteed Energy Savings Contract with Ameresco, Inc and to develop a comprehensive facility renewal program for several county owned buildings within Lake County.

Project Costs: \$18,500,000 Amount applied to debt: \$18,500,000 Annual Payment: \$2,584,000

Controlled or Uncontrolled: Controlled

Tax Rate Impact:	2006 AV	\$19,210,322,805
	Levy Needed	\$2,428,960
	Est. Tax Rate	.0126

Meeting and Publication Dates:

Date of publication for a public hearing	11/10/2006
Date of public hearing	11/20/2006
Resolution/Ordinance adopted	11/09/2006; 11/20/2006
Notice of Determination	11/27/2006

Auditor's Certificate of No Remonstrance: 12/28/2006

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$120,605,946	\$111,104,677	\$110,722,571	\$106,606,225
Cash Balance June 30	\$134,399	(\$14,064,130)	\$25,764,105	\$42,896,225
Estimated Misc. Rev.	\$18,918,057	\$17,234,598	\$18,089,087	\$17,964,718
Operating Balance	\$981,545	\$421,437	\$583,713	\$39,297
Levy	\$93,342,959	\$90,399,813	\$87,298,718	\$86,957,576
Rate	.4859	.4762	.4692	.4866

Attendance

The following people attended the meeting: James Bennett (Financial Advisor), Larry Blanchard (County Council), John Dull (County Attorney), Jeff Metcalf (Ameresco), Stu Rhodes (Ameresco), Jim Shanahan (Bond Counsel with Ice Miller), and Robert Swintz (Financial Advisor).

Discussion:

Larry Blanchard: There are several building improvements that have been talked about for a long time. The issues were raised again just in the last few years. Capital Initiatives came to the fore front again. Our municipal buildings have long been ignored. There is a need for building maintenance, new equipments, pumps, HV/AC upgrades, lighting, etc – all are needed to be upgraded on our aging buildings. We formed a committee to determine all of our infrastructure needs. In an effort to save taxpayer dollars, the decision was made to go with a guaranteed energy savings contract. I would not be here today if I didn't feel the work wasn't needed. The County Council and Commissioners all voted unanimously to approve the project. We have received favorable support from the newspapers. We are not aware of any remonstrance against the project. The tax rate impact is about \$2 million annually, or about 2% of the total budget. The buildings range from being constructed in 1924 to 1974. There are growing concerns over staff and customers safety and health.

John Dull gave a discussion of personnel changes. They were ordered to build a new jail and then a new juvenile center. The Council and Commissioners have done an excellent job since 1976 to balance the budget.

Jim Bennett gave a discussion about the use of gaming money. Available revenue went from \$17 million to \$6.7 million; mainly because they were ordered to pay for RDF with gaming revenue.

Jeff Metcalf: These projects are to deal with the most urgent needs. There are more that will need to be addressed at a later time.

Questions by board members:

Lisa: Was there any public interaction?

Larry: Only two residents showed up but neither one voiced an opposition. I have not heard anything negative.

Ken: Describe a general summary of a Guaranteed Energy Savings Contract and Ameresco's part.

John: What is the difference between doing a general obligation bond and experiencing reduced costs in the operating balance?

Answer: There is two parts to this project; there is the construction part and the method of financing the construction – in this case, it is general obligation bonds. Other than that, there is absolutely no difference.

Recommendation:

Ken motioned to recommend approval of general obligation bonds in the amount of \$18,500,000 for a term of ten (10) years. Dan seconded and the motion carried 5-1 with Stan opposed.

**Warrick County Unit, Warrick County
Park District Bonds**

Summary: The unit is requesting approval to issue park district bonds in the amount of \$1,975,000 for a term of twenty (20) years for the purpose of funding various park improvements throughout Warrick County.

Project Costs: \$1,975,000 Amount applied to debt: \$1,975,000 Annual Payment: \$278,894

Controlled or Uncontrolled: Uncontrolled

Tax Rate Impact:	2006 AV	\$2,924,132,660
	Levy Needed	\$251,005
	Est. Tax Rate	.0086

Meeting and Publication Dates:

Date of publication for a public hearing	N/A
Date of public hearing	N/A
Resolution/Ordinance adopted	11/15/2006
Notice of Determination	11/16 & 23/2006

Auditor's Certificate of No Remonstrance: 01/05/2007

Common Construction Wage Hearing Held 12/05/2006 Vote: 4-0-1 abstained

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$12,013,939	\$12,324,259	\$11,366,616	\$11,405,170
Cash Balance June 30	\$18,076	(\$251,963)	\$52,230	\$1,749,654
Estimated Misc. Rev.	\$3,585,778	\$2,324,651	\$2,978,411	\$2,943,461
Operating Balance	\$270,430	\$618,927	\$51,675	\$107,265
Levy	\$9,187,625	\$7,385,356	\$7,434,347	\$7,387,795
Rate	.3142	.2634	.2763	.2958

Missing Information: None

Attendance

The following people attended the meeting: John W. Weyerbacker (Attorney), Ryan Usher (Financial Advisor with H.J. Umbaugh), Gerald Lewis (President of the Parks Board), and Jim Shanahan (Bond Counsel with Ice Miller).

Discussion:

We are here to petition for approval to build a sports complex for the boys and girls clubs. The clubs approached us and requested a modern multi-field/use complex. We told them we would consider it. We did consider the request and approve the building of a new sports complex. We also did a survey on the other county parks and have included some improvements in the bond issuance request. In support of our

project, the County Commissioners have sold us twenty acres of land for \$1, with the stipulation that the park must be completed in three years.

Questions by board members:

Stan: Why did you choose the amount of \$1,975,000?

John W.: That is the total amount of the bonds that are expiring and the parks department did not want to increase taxes anymore.

Dan: This project is structured to wrap around existing debt to keep the tax rate level?

Ryan: Yes; the current bonds will be paid off next year and these bonds will be sold next year with a tax rate coming on in 2008.

Recommendation:

Stan motioned to recommend approval of general obligation bonds in the amount of \$1,975,000 for a term of twenty (20) years. Lisa seconded and the motion carried 6-0.

Owen Township Warrick County Emergency Fire Loan

Summary: The unit is requesting an emergency fire loan in the amount of \$10,000 for a term of one (1) year for the purpose of funding fire operations through 2006. The emergency is due to a reduction of the budget due to the maximum levy allowable.

Project Costs: \$10,000

Amount applied to debt: \$10,000

Annual Payment: \$10,471

Emergency Loan Calculation:	2006
Certified Property Taxes	\$8,218
Certified Misc. Revenue	\$968
Jan. 1st Cash Balance	\$0
Total Funds Available	\$9,186
Less: Prior Year Encumbrances	\$0
Less: Estimated Expenses	\$25,000
Funds Remaining (Needed)	(\$15,814)

Budget Advertised	\$25,000
Budget Adopted	\$25,000

Advertised/Adopted Budget	\$25,000
Less Certified Budget	\$13,994
Budget cut by DLGF	\$11,006

Tax Rate Impact:	2006 AV	\$17,485,140
	Levy Needed	\$10,100
	Est. Tax Rate	.0578

Meeting and Publication Dates:

Date of publication for a public hearing	07/20/2006
Date of public hearing	08/07/2006
Resolution/Ordinance adopted	08/07/2006
Notice of Determination	08/31/2006

Auditor's Certificate of No Remonstrance:

09/15/2006

12/08/2006

UNTIMELY, not 30 days

Timely

Financial History

Fire Fund	2006	2005	2004	2003
Certified Budget	\$13,994	\$7,930	\$15,035	\$0
Cash Balance June 30	\$54	\$140	\$80	\$1,684
Estimated Misc. Rev.	\$968	\$1,366	\$1,368	\$1,222
Operating Balance	\$0	\$0	\$0	\$11,868
Levy	\$8,218	\$10,113	\$9,469	\$9,045
Rate	.0470	.0564	.0623	.0553

Attendance

The following people attended the meeting: Raleigh Bruner (Trustee).

Discussion:

We have had a hard time since we lost our levy. I am working toward building my levy back up.

Questions by board members:

Stan: Do you have a contract with a volunteer fire department?

Raleigh: Yes.

Stan: Since your loan amounts are so small, have you considered doing excessive levy appeals for volunteer fire expenses? That would give you a permanent increase to your levy also.

Raleigh: No, I didn't know I could do that. I am following Mr. Norris' advice to borrow for three years.

Recommendation:

Lisa motioned to recommend approval of an emergency fire loan in the amount of \$10,000. John seconded and the motion carried 6-0.

City of Kendallville, Noble County Annexation

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Annexation	\$606,708	\$1,000,000	\$

Appeals: 2006 Math Error \$100,000

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$4,270,273	\$4,228,366	\$4,094,884	\$4,209,395
Cash Balance June 30	\$903,267	(\$392,073)	\$413,934	\$1,897,254
Estimated Misc. Rev.	\$1,018,291	\$958,895	\$1,335,068	\$1,418,317
Operating Balance	\$0	\$99,057	\$0	\$193,723
Levy	\$2,492,780	\$2,307,444	\$2,002,483	\$2,006,750
Rate	.5848	.5335	.4346	.3991

2007 Max Levy \$3,400,151
 Total Max Levy with Qualifying Appeal Amount \$4,006,859
 Unit's 2007 Advertised Levy \$7,601,040

The maximum amount the unit can qualify for is \$606,708

Attendance

The following people attended the meeting: Paige Gregory (Financial Advisor with H.J. Umbaugh), W. Suzanne Handshoe (Mayor), and James C. Dazey II (Council).

Discussion:

Paige: The City is requesting approval of an annexation appeal. The annexation area is west of Meadow Lane and was annexed in January 2003 for taxes payable in 2004. The area is comprised of commercial and residential properties and consists of approximately 315 acres with an estimated population of 700. (See handouts for more detailed information, including some background on the City). Page one of your handout shows current and historical data of rates, assessed values and property tax levies. The City's assessed value declined by over 15% due to two major industries moving to foreign countries and taking over 1,160 jobs with them. Then, the overall funding capabilities were severely impacted when the max levies were frozen in 2003; the City was under its max by just under \$1 million. The City's cash balances are expected to drop from the 2004 balance by 57%. The City's population grew by 24% from 1990 to 2000, but because of the financial situation, they have not added police or fire personnel. At the time of annexation, only basic fire protection service was needed and it was provided by Wayne Township. Since then, the annexed area has seen the development of a new hospital, numerous medical offices, retail and professional offices strip, two large housing developments, and a large apartment complex.

The current fleet of fire apparatus is old – the newest pumper is fifteen years old and the second newest is twenty years old. The reserve pumper is twenty-three years old and needs to be replaced. The added stress of servicing annexed areas is creating a hardship on already aging equipment.

The fiscal plan for the annexation indicates that the total cost to provide services to the annexed area is \$127,264; however, the City is requesting \$606,708. Page 2 of the handout shows the reconciliation of the costs shown in the fiscal plan with the City's request and the explanation of the variances.

Page 3 of the handout shows the impact on a residential property owner living in the taxing district. The tax liability is estimated to increase by 5%. The tax rate impact on a median home valued at \$81,000 is estimated to be \$39. The City's levy is estimated to increase by 18% and the City's total tax rate is estimated to increase by 17%.

Questions by board members:

Lisa: Were there any objections during the hearing process?

Mayor: One citizen spoke out against it, but there were several there, including senior citizens, that spoke up in support.

Ken: Have you included capital outlay in your request considering that this is a permanent appeal?

Mayor: Yes, our taxpayers are aware that this is a permanent appeal. Your approval would allow us to maintain capital projects and to fund on-going projects.

Dan: Do you have a CCD?

Mayor: No.

Dan: Have you considered establishing one?

Mayor: That would require council action and I am not sure they would support it.

Dan: What was the Council vote for this appeal?

Mayor: Three to two.

Dave: Any reason for the no votes?

Mayor: One of them is going to run against me for Mayor and the other one was for political reasons.

Dan: What is your projected fund balance at the end of 2007?

Paige: We estimate about \$480,000, which is eleven percent of the budget.

Recommendation:

Ken motioned to recommend approval of an annexation appeal in the amount of \$250,000. Stan seconded and the motion carried 6-0.

Town of Paoli, Orange County Lease Financing

Summary: The unit is requesting approval to execute a lease in the amount of \$5,000,000 with maximum annual lease payments of \$432,000 for a term of twenty-five (25) years. The project consists of the construction and equipping of a new park facility located at 1999 West Main Street in the Town of Paoli and improvements related to the park facility.

Project Costs: \$5,000,000 Amount applied to debt: \$5,000,000 Annual Payment: \$432,000

Controlled or Uncontrolled: Controlled

Revenue Source for Property Tax Backup: N/A

Tax Rate Impact:	2006 AV	\$93,145,740
	Levy Needed	\$184,000
	Est. Tax Rate	.1975

Meeting and Publication Dates:

Date of publication for a public hearing	06/06 & 08/2006
Date of public hearing	06/20/2006
Resolution/Ordinance adopted	10/03/2006
Notice of Determination	06/27 & 29/2006

Auditor's Certificate of No Remonstrance: 10/23/2006

Common Construction Wage Hearing Held: 12/07/2006 Vote: 2-0-1 abstained

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$671,225	\$0	\$582,925	\$579,886
Cash Balance June 30	\$395,746	\$269,625	\$43,458	\$278,631
Estimated Misc. Rev.	\$271,171	\$259,935	\$228,701	\$246,558
Operating Balance	\$70,839	\$639,753	\$0	\$56,333
Levy	\$193,277	\$259,935	\$250,165	\$284,695
Rate	.2075	.2794	.2590	.2869

Attendance:

The following people attended the meeting: Robert Swintz (Financial Advisor), Deron Kintner (Bond Counsel), Hal Kovert (Architect), and Alva Sibbitt (Town Council member).

Discussion:

Alva: Our Town has only one park and it is on the school campus. There are no other adult recreation areas except an old Jay-Cee park that has not had any improvements since I graduated from high school in 1960. We will be receiving \$200,000 annually from the French Lick Casino, and that is about half of the debt service payment. We think in order to keep our young people that we need to provide recreational facilities. The new park will be a full recreation area with baseball, softball, and soccer fields, with shelters, lighting and walking paths with sensors that come on at night.

Questions by board members:

Lisa: This is a lot of money for a small town – are your taxpayers aware of the impact?

Alva: There were about twenty citizens that spoke up in favor of the project and only one person spoke against it. Orange County is the poorest county per capita. We have heard only one person out of 4,000 in opposition.

Dave: Eighteen percent increase is a lot and I need to make sure your taxpayers are aware of the tax impact and the increase in taxes it will cause.

Alva: I understand, and my belief is that they are aware – they are in full support of the project.

John: You state that gaming revenue is about half of the debt payment – how is the gaming revenue calculated?

Bob: It is a statutory calculation – the State determines the calculation.

John: Is this the only project that the gaming revenue will be used for?

Alva: Yes. One of the things we are doing is shutting down the City Pool because it has been a maintenance drain. There was only about twenty-five people attended the pool last year. People want the water parks with slides and fountains and all. This will free up some maintenance costs that will be used to support a new park.

Recommendation:

Lisa motioned to recommend approval of a lease in the amount of \$5,000,000 with maximum annual lease payments not to exceed \$432,000. John seconded and the motion carried 5-1 with Dan opposed.

**Harrison Township, Bartholomew County
Emergency Fire Loan**

Summary: The unit is requesting an emergency fire loan in the amount of \$100,000 for a term of one (1) year for the purpose of funding full-time paid firefighters.

Project Costs: \$100,000

Amount applied to debt: \$100,000

Annual Payment: \$104,144

Emergency Loan Calculation:	2006
Certified Property Taxes	\$23,900
Certified Misc. Revenue	\$1,722
Jan. 1st Cash Balance (06/30)	\$27,803
Total Funds Available	\$53,425
Less: Prior Year Encumbrances	\$0
Less: Estimated Expenses	\$51,000
Funds Remaining (Needed)	\$2,425

Unit did not complete emergency loan calculation

Budget Advertised	\$51,000
Budget Adopted	\$51,000

Advertised/Adopted Budget	\$51,000
Less Certified Budget	\$51,000
Budget cut by DLGF	\$0

Tax Rate Impact:	2006 AV	\$182,439,340
	Levy Needed	\$104,144
	Est. Tax Rate	.0571

Meeting and Publication Dates:

Date of publication for a public hearing	09/29/2006
Date of public hearing	10/11/2006
Resolution/Ordinance adopted	10/11/2006
Notice of Determination	10/13/2006

Auditor's Certificate of No Remonstrance: 11/13/2006

Financial History

Fire Fund	2006	2005	2004	2003
Certified Budget	\$51,000	\$51,000	\$49,000	\$43,000
Cash Balance June 30	\$27,803	\$27,313	\$11,288	\$35,685
Estimated Misc. Rev.	\$1,722	\$23,017	\$23,571	\$21,505
Operating Balance	\$3,188	\$25,152	\$25,152	\$23,760
Levy	\$23,900	\$25,022	\$23,625	\$24,183
Rate	.0131	.0142	.0130	.0133

Attendance

The following people attended the meeting: David Dwyer (Trustee).

Questions by board members:

Dave: How many paid firefighters are you wanting to hire?

David: The request is actually for part-time paid firefighters to cover the daytime hours when there are no, or few, volunteers available. I would like to have the financing available to start the firefighters come January 1st.

Dave: Will you need to hire firefighters?

David: No, we will utilize firefighters already trained and working at other departments. We are in a desperate situation. My council and fire board agrees with me. There were three calls last year that there was no one available to respond to an emergency.

Ken: What is your total budget?

David: I have a \$30,000 contract and a fire fund of \$51,000.

Stan: What is the emergency you are facing today?

David: If there is an emergency call today, I have no one that is able to respond.

David: Right now it is \$4,082.77.

David: I just do not want to operate in a deficit.

David: Yes, I made sure I did.

Lisa motioned to recommend approval of an emergency fire loan in the amount of \$100,000. John seconded and the motion carried 4-2 with Stan and Dan opposed.

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Correction of Error	\$740,211	\$800,000	\$

Appeal History: None

Fire Fund	2006	2005	2004	2003
Certified Budget	\$0	\$0	\$7,144,120	\$6,078,531
Cash Balance June 30	\$0	\$0	\$330,910	\$1,183,139
Estimated Misc. Rev.	\$0	\$1,419,670	\$1,260,482	\$2,141,932
Operating Balance	\$4,644,073	\$6,175,018	\$0	\$1,728,751
Levy	\$4,644,073	\$4,755,348	\$4,652,958	\$4,242,102
Rate	.3402	.3402	.3375	.3074

2007 Max Levy	\$5,632,421
Total Max Levy with Qualifying Appeal Amount	\$6,372,632
Unit's 2007 Advertised Levy	\$8,129,563

The maximum amount the unit can qualify for is \$740,211

The following people attended the meeting: Bob Lechner (President of the Council) and Curt Coonrod (Accountant).

Bob: According to the DLGF, our budget was not filed timely; therefore, our budget, levy and rates were not approved at the adopted level. We had a three-day budget hearing and followed all the procedures we have always done. We approved the budget, levy and rates.

Curt: (Referring to a newspaper article) The statute clearly states that if no budget is adopted that the levy and rate from the previous year would be continued. That did not happen in our case – it was actually lowered.

Questions by board members:

Ken: Why was it lower?

Curt: The DLGF continued the rate, not the levy, which was the wrong thing to do.

Curt then discussed the process the County went through to approve the budget. The council thought everything had been done correctly. That is why they consider this to qualify as a correction of error. The budget, supposedly, was not filed because of an administrative error.

Ken: How was the shortfall managed this year?

Curt: The budget had to be cut, balances spent down; this was not the only problem that the County faced. The County Auditor made several accounting errors that had to be corrected.

Bob: The Council has made specific resolutions to address specific issues that we have faced this year. It includes who can be hired and the responsibilities of personnel.

Dan: Is there a reason why Knox County did not respond to the 1782 Notice?

Curt: We don't know. That Notice would have been sent to the Auditor's office and we don't know where it went from there.

Bob: Everything that could and should have been done has been done. We are facing a desperate situation. We have several situations that need to be addressed – staffing, transportation, criminal courts, etc. We believe that this is one way to start addressing some of the problems.

Dave: Why do you think this qualifies is a correction of error appeal?

Curt: We are calling this a correction of a data error. I have here a definition of data from the American Heritage Dictionary. The first definition of data is defined as factual information, especially information organized for analysis or used to reason or make decisions. We believe that the information we have provided qualifies as data, therefore qualifying us for the correction of data error appeal. I have also provided analysis of how the error amount was calculated. The DLGF has already stated that they are going to correct some of the lost levy because of the way our budget was certified.

Recommendation:

Ken motioned to recommend approval of a correction of data error appeal in the amount of \$523,698 subject to review by the DLGF Commissioner. Lisa seconded and the motion carried 5-0-1 with Dan abstaining.

Veale Fire Protection District, Daviess County Fire Loan

Summary: The unit is requesting approval to obtain a loan in the amount of \$130,000 for a term of six (6) years for the purpose of purchasing a 2000-gallon tanker fire truck.

Project Costs: \$150,000 Amount applied to debt: \$130,000 Annual Payment: \$32,000

Tax Rate Impact:	2006 AV	\$38,430,830
	Levy Needed	\$30,400
	Est. Tax Rate	.0791

Meeting and Publication Dates:

Date of publication for a public hearing	09/20/2006
Date of public hearing	10/02/2006
Resolution/Ordinance adopted	10/02/2006

Notice of Determination

10/05/2006

Auditor's Certificate of No Remonstrance:

11/09/2006

Financial History

Fire Fund	2006	2005	2004	2003
Certified Budget	\$59,550	\$59,850	\$59,300	\$56,300
Cash Balance June 30	\$108,699	\$98,730	\$67,788	\$69,329
Estimated Misc. Rev.	\$5,112	\$4,637	\$15,293	\$14,143
Operating Balance	\$18,861	\$19,543	\$34,050	\$34,763
Levy	\$11,414	\$11,593	\$10,556	\$34,202
Rate	.0297	.0292	.0266	.0924

Attendance

The following people attended the meeting: Steve Frette (President) and Phil Flint (Vice President).

Discussion:

The Fire District formed in 1989 and we are trying to acquire adequate trucks and equipment to provide adequate fire protection. There has been significant growth. We have tried to use our cumulative fund, but we had to cut it two years ago when we realized we were on the wrong side of the calculation when the levy was frozen.

Recommendation:

Lisa motioned to recommend approval of a fire loan in the amount of \$130,000. John seconded and the motion carried 6-0.

**City of Brazil, Clay County
Public Works Project Loan**

Summary: The unit is requesting approval to obtain a loan in the amount of \$525,000 for a term of six (6) years for the purpose of funding the construction of sidewalks.

Project Costs: \$525,000 Amount applied to debt: \$525,000 Annual Payment: \$115,350

Controlled or Uncontrolled: Uncontrolled

Tax Rate Impact: 2006 AV \$189,573,130
Levy Needed \$115,350
Est. Tax Rate .0608

Meeting and Publication Dates:

Date of publication for a public hearing 11/03/2006
Date of public hearing 11/14/2006
Resolution/Ordinance adopted 11/14/2006
Notice of Determination 11/15/2006

Auditor's Certificate of No Remonstrance:

Due 11/30/2006

Financial History

Fire Fund	2006	2005	2004	2003
Certified Budget	\$1,898,752	\$2,260,407	\$1,674,815	\$1,845,598
Cash Balance June 30	\$72,637	(\$442,515)	(\$348,555)	\$28,607
Estimated Misc. Rev.	\$1,027,784	\$1,144,182	\$983,380	\$975,235
Operating Balance	\$0	\$0	\$0	\$106,194
Levy	\$928,908	\$965,222	\$1,026,162	\$884,675
Rate	.4900	.4784	.5336	.4569

Attendance

The following people attended the meeting: Thomas Arthur (Mayor), Tom Guevara (Financial Advisor), Herschel Frierson (Financial Advisor with Crowe Chizek), and Sue Beesley (Bond Counsel with Bingham & McHale).

Discussion:

Mayor: Five years ago the City was sued by the ACLU to make all of our sidewalks ADA compliant. We currently do not have the excess funds to complete the project. We have been working on this for the last five years.

Hershel: We have copies of the civil suit that was brought against the City if you would like to see them.

Questions by board members:

Dave: How much of the project is this for?

Mayor: This should complete the project. This is the last phase.

Lisa: Were there any public comments?

Mayor: No, none.

Recommendation:

John motioned to recommend approval of an appeal in the amount of \$525,000 for a term of six (6) years.

Lisa seconded and the motion carried 6-0.

Town of McCordsville, Hancock County Annexation

Max Levy	Requested	Advertised	Qualifies (per worksheet)
Annexation	\$206,204	\$231,073	\$

Appeals History:	2002	Annexation	\$ 898	2003	Annexation	\$49,500
	2005	3 Year Growth	\$58,800	2006	3 Year Growth	\$117,300

Financial History

General Fund	2006	2005	2004	2003
Certified Budget	\$876,398	\$737,926	\$688,511	\$672,918
Cash Balance June 30	\$280,687	(\$13,846)	\$91,298	\$194,373
Estimated Misc. Rev.	\$312,597	\$255,979	\$252,649	\$240,025
Operating Balance	\$134,668	\$72,836	\$47,757	\$29,829
Levy	\$595,512	\$428,623	\$369,787	\$317,568
Rate	.3344	.3002	.3288	.3692

2007 Max Levy	\$ 748,206
Total Max Levy with Qualifying Appeal Amount	\$1,123,332
Unit's 2007 Advertised Levy	\$1,200,000

Maximum appeal unit can qualify for is \$206,204

Attendance

The following people attended the meeting: Belvia Hiadari (Financial Advisor with H.J. Umbaugh), Paige Gregory (Financial Advisor with H.J. Umbaugh), Cathy Gardner (Clerk Treasurer), and Harold Rodgers, Jr. (Chief of Police).

Discussion:

We are here today to present an annexation appeal for the Town of McCordsville. You'll remember that we presented the appeal at last month's meeting, but the board tabled a vote and asked us to appear again this month. I'd first like to note that we have revised our initial request for this appeal. Our initial request was for \$206,240 and upon further review and additional information gathered, we are now requesting an appeal in the amount of \$170,260 – approximately \$36,000 less than the initial request. I will discuss the adjustments in more detail. During our review, we carefully examined the annexation fiscal plan and its quantification of items needed to service the annexed area. We have also provided the Control Board a complete annexation fiscal plan as we thought that perhaps some of it was missing from our initial submission. While the plan outlines the need for various personnel/services, it does not provide much detail to identify the costs associated with an increase in personnel or expansion of services. As a result, we worked with the Clerk Treasurer to quantify the Town's needs with the best information available.

The annexed area consists of 31.12 acres of land and will ultimately include 213 homes; 16 of the lots have already been sold and are in various stages of completion. It is estimated that the Bay Creek development will be fully built-out between 2009 & 2012. The homes already sold have assessed values ranging from \$220,000 to \$250,000. The annexed area was originally farmland.

Page 1 (refer to handout for specific details) shows adjustments to the appeal amount due to revisions made in the Street Department, the Police Department and for trash collection. Page 2 shows an estimated property tax bill impact for homeowners in the taxing district. The proposed appeal has an estimated annual impact of \$55.36 to \$101.49 for home values ranging from \$125,000 to \$200,000.

Dan: As you know, we typically adjust the capital outlay amount to twenty percent in order to amortize capital over five years. That would adjust the appeal amount down to around \$148,660.

Questions by board members:

John: Will the Town be back for a three-year growth at build-out?

Belvia: Yes, they will need the additional funds once the population increases.

Kathy: I foresee that for the next several years we will experience growth in double digits, as we have for the last several years.

Ken: This appeal amount, even revised, is still a 30% increase in the levy- that is pretty significant.

Kathy: We have had public hearings, so I think the people are aware.

Recommendation:

Stan motioned to recommend approval of an annexation appeal in the amount of \$150,000. John seconded and the motion carried 6-0.